



CONVENTIONAL FANNIE MAE 95 & 97

I. PROGRAM SUMMARY

PROGRAM DESCRIPTION	<p>The Conventional Fannie Mae 95 & 97 program provides enhanced affordability and homeownership opportunities to borrowers that meet specified income requirements. The program consists of two options:</p> <ol style="list-style-type: none">1) <u>Option 1</u>: A 95% LTV fixed-rate (10-30 year fixed rate, 7/1 or 10/1 ARM) first loan, or2) <u>Option 2</u>: A 97% LTV fixed-rate (10-30 year fixed rate, 7/1 or 10/1 ARM) first loan <p>Mortgage Insurance Services provides mortgage insurance on loans originated under these programs.</p>
TARGET MARKETS	<p>This program is intended for California high-cost counties where borrowers have the income to service the debt, but may need down payment assistance to qualify for a loan.</p>
PARTICIPATING LENDERS	<ol style="list-style-type: none">1) <u>Option 1 - 95% LTV Program:</u> <u>Delegated:</u><ul style="list-style-type: none">• North American Mortgage Corporation/Washington Mutual• Countrywide2) <u>Option 2 - 97% LTV Program:</u> <u>Delegated:</u><ul style="list-style-type: none">• NAMCO• Wells Fargo• Countrywide• CUNA Mortgage• First Nationwide
BORROWER ELIGIBILITY	<p>Borrowers must meet the following requirements:</p> <ul style="list-style-type: none">• Be a U.S. citizen or permanent resident alien• Not own other residential dwellings except a home which they are selling at or prior to the purchase of the subject property• Occupy the property as their primary residence; non-occupant co-borrowers are not allowed
PROPERTY ELIGIBILITY	<p>Properties must meet all of the following requirements:</p> <ul style="list-style-type: none">• Be a single-family dwelling (SFD), including approved condo/PUDs• Condo/PUDs must be in high-cost areas and meet investor requirements. Mortgage Insurance Services reserves the right to limit the number of loans in any project. Current guidelines allow for up to five loans per project; loans above this limit will be considered on a case-by-case basis• Manufactured housing may be considered, on a case-by-case basis• Mortgage Insurance Services will accept Fannie Mae 1028 warranties on new construction projects

DOWN PAYMENT REQUIREMENTS	3-5%
BORROWER MINIMUM CONTRIBUTION	Refer to investor guidelines.
TRANSACTION TYPE	Purchase transactions only.
MAXIMUM SALES PRICE	<ul style="list-style-type: none"> • <u>Option 1</u>: \$315,735 • <u>Option 2</u>: \$309,721
MAXIMUM LOAN AMOUNT	Up to conforming loan limits (currently \$300,700).
INCOME LIMITS	<p>Borrower's income cannot exceed 120% of the HUD median income for the area in which the borrower is purchasing. In high-cost areas, the borrower's income cannot exceed 140% of the HUD median income. High-cost counties include: Alameda, Contra Costa, Los Angeles, Marin, Monterey, Orange, Napa, San Benito, San Diego, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, and Ventura.</p>
MORTGAGE INSURANCE	<p>Mortgage insurance from Mortgage Insurance Services is required on the first loan, as follows:</p> <p><u>Fannie Mae 97% LTV: MI Premium Plan #603:</u> Coverage: 30% Cost: 78 bps Due: Monthly</p> <p><u>Fannie Mae 97% LTV: MI Premium Plan #605:</u> Coverage: 35% Cost: 78 bps Due: Monthly</p> <p><u>Fannie Mae 97% LTV: MI Premium Plan #609:</u> Coverage: 50% Cost: 78 bps Due: Monthly</p> <p><u>Fannie Mae 95% LTV: MI Premium Plan #612:</u> Coverage: 25% Cost: 60 bps Due: Monthly</p> <p><u>Fannie Mae 95% LTV: MI Premium Plan #613:</u> Coverage: 30% Cost: 60 bps Due: Monthly</p>

SELLER CONTRIBUTIONS	Seller contributions are acceptable, up to 3% of the sales price; must be used for non-recurring closing costs only.
BUYDOWNS	Permanent buydowns are allowed; no temporary buydowns.

II. UNDERWRITING CRITERIA

MINIMUM FICO SCORE	Borrowers must have a minimum FICO credit score of 620, or greater. Borrowers with no credit score are allowed, if an acceptable non-traditional credit report is developed.
RATIOS	For FICO scores between 620-659: debt-to-income ratio cannot exceed 41%. For FICO scores of 660 or greater: debt-to-income ratio cannot exceed 45%.
CASH RESERVES	Borrower is required to have two months cash reserves to cover PITI.
HOMEBUYER ED. REQUIREMENT	Certification is required that the homebuyer education requirement has been completed.
SUBORDINATE FINANCING/SILENT SECOND LOAN	N/A
INCOME REQUIREMENTS	Refer to investor guidelines

IMPORTANT DISCLOSURE INFORMATION:

The information provided in this program description is for guidance only. While we have taken care to provide accurate information, we cannot cover every circumstance nor program nuance. Lenders will need to refer to investor guidelines for specific underwriting and compliance issues. Lenders should be aware that Mortgage Insurance Services' underwriting guidelines are for mortgage insurance only, and not necessarily the same as restrictions imposed by the investor. The more restrictive guidelines apply. This program description is subject to change from time to time without prior notice.

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